

### **Roll Back Local Licensing Laws: In Support of House Bill 5955**

Jarrett Skorup, Director of Marketing and Communications, Mackinac Center for Public Policy

In his State of the City address last year, Detroit Mayor Mike Duggan mentioned that at Little Caesars Arena, there were 120 plumbers working, yet only 58 licensed plumbers in the entire city. He used this statistic to promote a new jobs training program.

But there's an easier way for the city to help people find employment: Get out of the way. Unlike nearly every other city in Michigan, Detroit requires plumbers to go through an annual license and registration process, complete documents for the city for every job they do, and follow a strict and expensive fee chart for every item they fix.

This is just one of dozens of occupations the city licenses – about 60 job categories. About half of these are affected by House Bill 5955 because they are areas already licensed by the state.

Consider the contractor who installs and repairs elevators. Getting a state license to work in that field requires passing a state-imposed test and paying a \$200 fee. Anyone who wants to practice that trade in Detroit must pay the city an extra \$142 in fees and pass another oral and written test, which cost an additional \$176. This means that it costs \$318 more to be an elevator contractor in Detroit than anywhere else in Michigan. Plumbers, electricians, fire-alarm technicians, welders and other workers face even more obstacles to work in Detroit.

Worse than the financial burden is the extra time and energy needed to comply with the city requirements. Why would a contractor who could find a job elsewhere deal with the trouble of doing business in Detroit? And whom do these redundant requirements benefit? It's not as if Motown residents are boasting to their friends that they have the safest elevators in Michigan.

Detroit also licenses many professions that the state and the rest of the municipalities in Michigan do not. Furniture movers, window washers and auctioneers all need licenses, as do batting-cage operators and even more obscure professions like animal-hide haulers and hat cleaners. I'm skeptical that in Detroit moving is safer or more pleasant, that auction attendees are more satisfied or that animal hides get transported more efficiently.

The leading national expert on licensing, Dr. Morris Kleiner of the University of Minnesota, as well as President Trump's Department of Labor and former President Obama's Council of Economic Advisers all find that occupational licensing laws generally restrict job growth with no measurable health or safety benefit to the public.

Detroit isn't the only city that requires local licensing laws – many others do as well. And these rules often make sense. But when it comes to occupational licensing – where a government body mandates education, training and fees – it doesn't make sense for locals to tack on extra obstacles above and beyond what the state requires. For that reason, I'm happy to support House Bill 5955 and welcome any questions.